

A Profile

CA30NHW A20
89H11

URBAN/MUNICIPAL



The Hamilton Airport

The Hamilton Airport

An efficiently equipped airport facility that's easy to reach and easily handles both passenger & cargo traffic.



The Hamilton Airport terminal offers "hassle-free" check-in, and cargo handling.

Hassle-free Access

Hamilton Airport is located in Mount Hope, Ontario, 3 miles south of Hamilton on Highway #6.

The Greater Hamilton area is strategically located at the head of Lake Ontario and serves as a regional centre for over 1½ million people. The airport is easily accessed from the northern U.S. and Ontario cities by a major highway network, comprised of the Q.E.W. and Highway 403. Travelling time from either Buffalo New York, or Toronto is a mere 40 minutes.

Hamilton Airport is equally suited to accommodate both passenger and cargo service.

CARGO

There are many factors which make Hamilton Airport ideal for cargo handling and freight transfer.

The airport is well equipped to accommodate all sizes of aircraft including jumbo jets, as well as almost any type of cargo.

It is one of only two airports in Canada that can provide customs free intermodal transfer of inbound cargo.



Concentric rings show incremental 400 mile distances from Hamilton Airport.

CA30NHW A20

89H11

HAMILTON AIRPORT


BUSINESS PLAN

URBAN MUNICIPAL
OCT 13 1989
GOVERNMENT DOCUMENTS

Prepared by:

Wm. McMillin Carson
Chief Administrative Officer
Regional Municipality of Hamilton-Wentworth

March 1989



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THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

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F O R W A R D

March 7, 1989

I would like to acknowledge the considerable effort put into this document by members of my staff, in particular, Nick Catalano, Business Development Officer in the Economic Development Department, and Karl Muller, my Executive Assistant.

Their concern and interest in developing Hamilton Airport into a successful facility is greatly appreciated.

Sincerely,

Wm. McMillin Carson
Chief Administrative Officer

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INTRODUCTION

The objective of this Business Plan is to examine the key aspects of the Hamilton Airport with a view to providing a comprehensive financial plan which illustrates the projected level of service necessary to maintain a continuity of self-sufficiency and profitability.

With the support of the Federal Government in the areas of promotion, improved equipment, signage, overall exposure and lengthening the runway to 10,000 feet, we are confident that this Plan will achieve its stated objective.

The Plan examines three areas which are essential to achieving a profitable operation:

- (1) Charters and regularly scheduled service
- (2) Cargo/freight transportation
- (3) Commuter passenger service

It is fully recognized that the Hamilton Airport has much to offer in some of the targeted markets noted above, while naturally being limited in others.

AIRPORT CHARACTERISTICS

LOCATION

Hamilton Airport, approximately seven miles from downtown Hamilton, is located in the municipalities of Ancaster and Glanbrook in the Regional Municipality of Hamilton-Wentworth. Access to the terminal is provided by Airport Road with intersecting major transportation corridors on Highway #6 to the east and Fiddler's Green Road to the west.

AIR TERMINAL BUILDING

The Air Terminal Building is primarily used for passenger arrivals and departures. Located at the southeastern end of the airport property it houses offices for the airlines, the Airport Manager, Canada Customs, car rental agencies and a travel agency. Also included in this building, which is approximately 40,000 sq. ft., are a duty free shop, a coffee bar and restaurant, security offices, baggage and cargo handling facilities and a weather station.

AIRPORT DEVELOPMENT

In 1985 this facility enjoyed a major expansion including a new passenger terminal building. This greatly enhanced the capacity of the Airport to handle an increase in air services which is only now starting to materialize. With some modifications, the terminal could accommodate approximately 500,000 passengers annually. However, as at December 31, 1988, total embarkations were just under 48,000 bringing total utilization to 96,000 people.

SECURITY

Security at the airport is consistent with Transport Canada standards using the most modern passenger screening devices available. The number of screening devices has recently been increased by Transport Canada.

PARKING

Parking is provided for 450 cars. An additional 300-500 cars can be accommodated by changing the road configuration and layout. Currently there is no charge for either short or long term parking; however, the Region is prepared to review this policy as the level of service increases (estimated to be in 1993).

GROUND TRANSPORTATION

Ground transportation to the airport is currently provided by taxis and limousines with the Regional Municipality providing public transit services on a scheduled basis to downtown Hamilton. Car rental pick-up service is also available from nationally known companies.

SAFETY

Crash, fire and rescue facilities currently consist of a 300,000 gallon foam unit and a 1,000 lb. dry chemical vehicle which all meet Transport Canada's safety standards. This could change as a result of the CFR review which Transport Canada is currently undertaking.

CONTROL TOWER

The airport received a new control tower in 1987. This tower can accommodate both the operational and administrative functions while providing a full range of telecommunication facilities for all arriving and departing aircraft. It is considered to be one of the most modern in Canada and certainly capable of handling increased utilization well beyond current levels. (Refer to map #2).

COMPETITION

Hamilton Airport is a complementing facility to Pearson and Buffalo International Airports and, thus, should be utilized for the following:

- (1) Charters and regularly scheduled service
- (2) Cargo/freight transportation
- (3) Commuter passenger service (to within the 400-mile radius of Hamilton Airport to feed into the network for major U.S. carriers)

In these areas, Hamilton Airport can alleviate some of the congestion experienced at Pearson International Airport.

Ground transportation can be readily accommodated by offering increased direct bus connections between Hamilton Airport, Pearson International Airport, downtown Hamilton, downtown Toronto and Buffalo International Airport. Arrival and departure procedures can be expedited through the current proposal to expand the terminal building.

The Region of Hamilton-Wentworth and Transport Canada have recently corrected a number of deficiencies which were recognized at the Airport. These are detailed below:

40 baggage carts	\$ 8,000.
100 additional seats in the airport terminal	20,000.
Passenger surveillance and X-ray machine	100,000.
Passenger screening archway	35,000.
Expansion of terminal facility	<u>297,000.</u>
 TOTAL	 <u>\$460,000.</u>

This one-time expenditure of \$460,000. has contributed to the continuance of first-class service at the Hamilton Airport. It was required to accommodate the office and counter requirements of the airport today. It should be noted that this amount approximates the surplus from 1986 to 1988 on the Airport budget through the subsidy program of Transport Canada. Of the items identified above, the Region provided the expansion of the airport terminal at a cost of \$297,000. with the balance provided by Transport Canada.

AIRPORT MARKETING

MARKET AREA

Charter operations at the airport have a significant population base from which to draw. With the necessary modifications, Hamilton Airport could readily service the following areas:

	<u>POPULATION</u>
Hamilton-Wentworth Region	425,000
Regional Municipality of Haldimand-Norfolk	90,000
County of Brant	105,000
City of Burlington	120,000
Regional Municipality of Niagara	350,000
The Cities of Kitchener/Waterloo	225,000
City of Guelph	83,000
City of Brantford	<u>76,000</u>
TOTAL	1,474,000

The catchment area which could be serviced for regularly scheduled passenger, commuter and charter flights is well in excess of 1.4 million people and thus represents a significant market not only for feeder capabilities but also for end destination runs. The vast majority of this population is currently being serviced by Pearson and Buffalo International Airports. Future growth and development of Hamilton Airport should be encouraged in order to enhance airlines' profitability and passenger convenience.

MAJOR MARKETS

Research indicates that there are three main areas for achieving increased utilization at this Airport. The key target areas must be marketed in order to make this facility profitable, while meeting the increasing needs of the general public.

CHARTERS AND REGULARLY SCHEDULED SERVICE

Perhaps the greatest area of potential growth is in this area. The excellent growth of Nationair, which offers regular charter services to London, England and charter service to sunflight destinations, is clear evidence of the unsatisfied demand which exists in the Airport's catchment area.

The demand is increasing rapidly. Nationair is increasing its schedule from three to fifteen flights per week starting this Summer. In addition, Canadian Partners has recently announced that they will be providing twenty-eight flights per week to Montreal.

The above-noted services, as well as expanded service by any of the other major Canadian airlines, could make Hamilton the hub for a world class charter and regularly scheduled flight operations. The only limitation to the service is the restrictive 8,000 foot runway. This limitation restricts fuel capacity and resultant air travel time thereby prohibiting flights to some European destinations and beyond. However, most Carribean, South American and other sun destinations can still be served with the present runway.

The Region will continue to pursue this matter in light of the significant long-term benefits to both the Region and Transport Canada.

CARGO/FREIGHT TRANSPORTATION

Tempus Air Limited currently operates freight handling aircraft used exclusively by Federal Express. This company has experienced significant growth over the past number of years resulting in their decision to eliminate passenger commuter services (Ottawa - Montreal) and concentrate exclusively on freight. It is expected that increased cargo activities will continue well into the future.

Hamilton Airport has reasonable noise abatement policies in effect which permit 24-hour day operations. This is particularly advantageous in the freight business since it allows greater scheduling flexibility in order to meet delivery deadlines.

Purolator Courier and United Parcel Service also operate freight forwarding aircraft from Hamilton Airport. It is also anticipated that their utilization will increase. These companies use the airport without the benefit of having a large warehouse distribution centre. The potential for private developers to construct a major warehouse facility may not only increase utilization for freight operations but also to develop airport lands for commercial and light aircraft-related industries.

In order to attract major freight handlers, 24-hour/day operation is crucial. Airport lands must be available for future development and marketing efforts should focus on these two important advantages of the Hamilton Airport.

COMMUTER PASSENGER SERVICE

There are currently two carriers that provide this service: Chautaugua Airlines and Pan Am Express. The former operates regularly scheduled service from Hamilton to Pittsburgh as a feeder operation for the over one hundred U.S. destinations they serve. Pan Am operates to J.F. Kennedy Airport in New York to service the world-wide connections of Pan American Airlines.

Both of these companies have experienced significant growth in passenger loads. With the proposed improvements to the terminal they will continue to make Hamilton Airport a viable alternative for passengers with U.S. destinations.

Major U.S. and Canadian carriers must be convinced that Hamilton Airport is ideally situated to serve as a feeder operation to their networks. The success and increased passenger loads experienced by these two companies are good examples of how Hamilton Airport can play an important role in attracting increased business to U.S. carriers.

While this service is currently limited to Pittsburgh and New York, it could be expanded to serve the central hub for all carriers which lie within the 400 mile service area of Hamilton, and, thus do not require bilateral agreements. Marketing efforts should, therefore, concentrate on visiting head offices of major U.S. carriers to impress upon them the potential profitability that exists in the untapped market area which could be serviced by Hamilton Airport.

FINANCIAL ANALYSIS

REVENUES

There are five ways in which this airport can generate revenues:

1. Landing fees
2. Land rental
3. Concession fees
4. Aircraft parking
5. Federal subsidies

The greatest potential for revenue generation lies in landing fees and land rentals. With the proposed marketing efforts for the airport, it is projected that consistent increases in revenues will be generated. Increased utilization of the runway for passenger and freight operations should also result in development of the surrounding airport lands to support these operations.

It is in the best interest of Transport Canada and the Regional Municipality of Hamilton-Wentworth to increase the utilization of this facility. The resultant increase in revenues will eventually reduce the required Federal subsidy to zero. Our projections indicate this will occur by 1995.

With increased utilization, additional expenditures will be required in order to maintain first class service. However, given the current underutilization, there exists significant room for revenue growth with limited anticipated increases in operational expenditures.

The financial analysis and projections are based on operations and do not consider capital expenditures which may be required to support increased utilization. As indicated earlier, some expenses have already been undertaken and others are being studied at the present time. Capital expenditures will have to be made to meet the increased demand both now and in the future; however, this demand will lead to increased revenues which should offset the required capital expenditures.

PLANNED DEVELOPMENTS

There is a proposal by INTACT to build a hangar in 1989 for maintenance and repairs of aircraft. The timing of this development is scheduled to commence in April and this will have a significant impact on revenues in terms of land rental and landing fees generated by aircraft coming into the hangar for maintenance.

Additionally, this company further proposes to build a 150,000 sq. ft. warehouse for freight handling in 1990. The major impact of these two developments is the fact that they are sufficiently large and could prove to be the impetus for future development on airport lands (Refer to Map #1).

LAND USE

The airport lands and surrounding areas are currently being studied in order to determine their best use in relation to the overall development and use of the Airport.

It is suggested that the Mount Hope Golf Course, adjacent to the airport, be included in the lands formally designated as airport lands and be part of this overall study. These lands should be retained as one single parcel to facilitate the marketing efforts of the airport administration in attracting a major world-class charter operator utilizing Hamilton Airport as its hub.

FINANCIAL PROJECTION

The following assumptions have been utilized in the financial projection presented later in this section:

1. Airport will continue to grow with the increased utilization by present users.
2. Land development i.e. INTACT proposal will increase revenues in terms of land rental and landing fees.
3. The fixed costs of running the Airport will be covered by a larger revenue base thereby achieving economies of scale.
4. Discussion with the Airport Administration have resulted in the formulation of financial data utilizing a fixed 20% revenue and 7% expense growth.
5. No major capital expenditures are included in these projections as those will be directly dependent on future utilization & development

FINANCIAL PROJECTIONS

(\$000's)

<u>Year</u>	<u>Revenue</u>	<u>(%)</u>	<u>Expense</u>	<u>(%)</u>	<u>Subsidy</u>	<u>(%)</u>
1986	217		1,006		835	
1987	367	69.1	1,034	2.8	742	(12.5)
1988	600	63.5	1,250	20.8	940	26.7
1989*	732	22.0	1,452	16.2	720	(30.5)
1990*	878	20.0	1,553	7.0	675	(6.3)
1991*	1,054	20.0	1,662	7.0	608	(9.9)
1992*	1,265	20.0	1,779	7.0	514	(15.5)
1993*	1,517	20.0	1,903	7.0	386	(24.9)
1994*	1,821	20.0	2,063	7.0	215	(44.3)
1995*	2,185	20.0	2,179	7.0	(6)	

*Projected figures

NOTE

1. By the year 1995 the Airport should be generating an OPERATIONAL surplus.
2. Any major expansion in the area of freight forwarding coupled with charter operations will significantly and positively impact these projections, thereby reducing the break-even period.

CONCLUSIONS

Based upon this Business Plan, there are a number of conclusions which can be made to support the future viability of the Hamilton Airport.

1. That Transport Canada be requested to expand the terminal and associated areas by an additional 20,000 to 30,000 sq. ft. and that this expansion be included in the Knorr Study which is currently being undertaken by Transport Canada.
2. That the Mount Hope Golf Course be included in the airport lands and that this parcel be retained as a single holding.
3. That Transport Canada be requested to expand the parking area by an additional 300-500 spaces. The Region recognizes that a review of the free parking policy should be undertaken in 1993.
4. That the Airport marketing efforts be concentrated on expanding charter and freight operations.

5. That Transport Canada be requested to lengthen the runway to 10,000 feet.
6. That this Business Plan be updated to reflect additional information which may become available through the Planning Department's Land Use Study and the Pearson International Study currently being undertaken.

ADDITIONAL COMMENTS

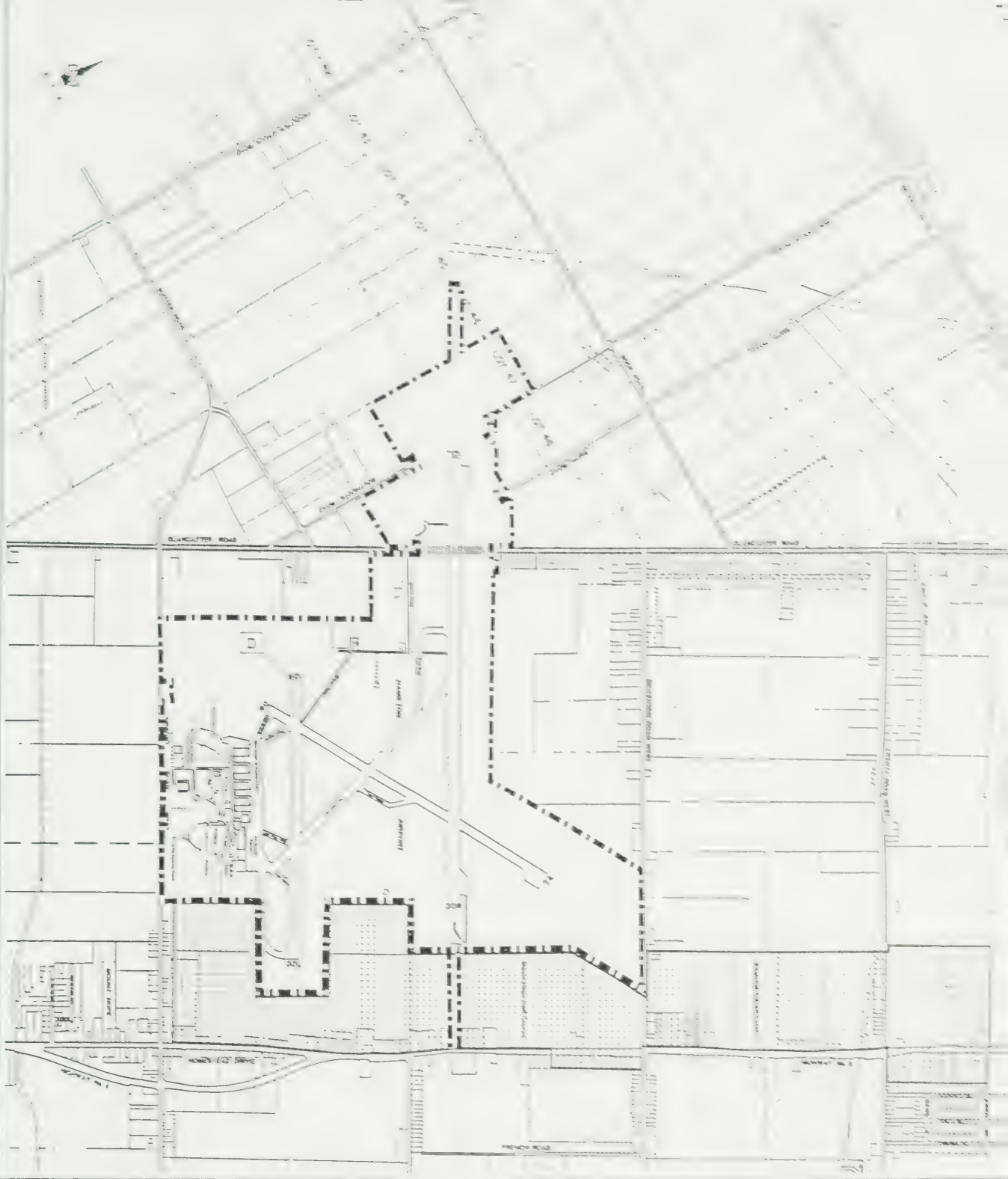
This report is intended to not only encompass the financial factors that affect the Airport, but also to develop a marketing initiative aimed at increasing the utilization of the Airport. These initiatives will serve to make the Airport fully self-sufficient by 1995 on an operational basis.

It is difficult to prepare a sound financial business plan which can take into account all factors that may effect revenue and expenditure levels. One large scale development could make the financial plan obsolete. Therefore, it was deemed more appropriate to prepare a financial plan which focuses on present levels of activity at the Airport with future projections based on realistic levels of growth. It is the Region's intention to update this Business Plan after the current Airport study is complete and consultation with Transport Canada staff is undertaken.

With the support of Transport Canada in assisting Airport administration in the areas identified and in providing the necessary capital expenditures to facilitate increased utilization, we are confident that the projected growth can be achieved.

Airport / Industrial Business Park Existing Facilities and Committed Development

For details of Air Terminal and General Aviation Area, see "Map 2"



- Legend**
- Airport Boundary
 - Industrial Business Park
 - _____ Municipal Boundary

HAMILTON AIRPORT / AIRPORT
INDUSTRIAL BUSINESS PARK
STRATEGIC PLAN

October 1988

Hamilton Airport Air Terminal and General Aviation Area (Enlargement)

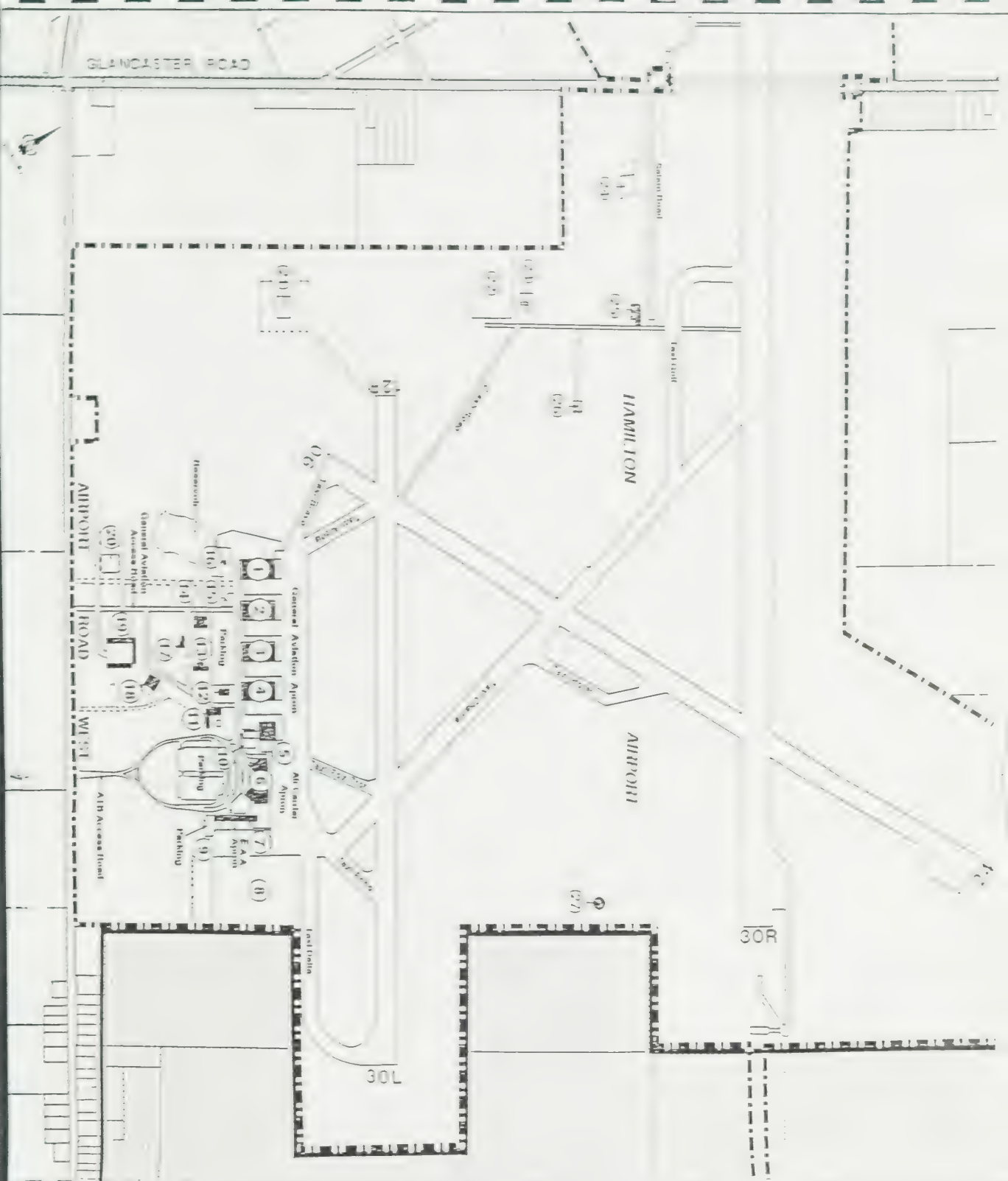
Legend

- (1) Airbase 1 (Hamilton Flying Club)
- (2) Hangar 2 (Propulsion)
- (3) Hangar 3 (Canadian Maritime Heritage, Inc.)
- (4) Hangar 4 (Canadian Maritime Heritage, Inc.)
- (5) Hangar 5 (Canadian Aviation)
- (6) Air Terminal Building
- (7) Hangar 6 (Experimental Aircraft Association)
- (8) (11) Air Terminal Service Ltd.
(unimproved development)
- (9) Proposed Air Parking Lot
- (10) Large open Parking
- (11) Storage
- (12) Cargo Building (Freight Centre, MAT Centre)
- (13) Office as Air Force Association
- (14) Office as (77) Car Air Station
- (15) Hamilton Fuelights Drive (Camp)
- (16) Hamilton Air Services, Inc. (unimproved development)
- (17) Storage
- (18) Single Family Residence
- (19) Offices and Terminal (TCAT 447 Wing Club)
- (20) Maintenance Garage and Storage
- (21) Fuel Storage
- (22) Fuel Storage Area
- (23) Hamilton Westworth Regional Police Force
Dog Training Facility (unimproved development)
- (24) Fuelfill
- (25) Cemetery
- (26) Field Electrical Centre
- (27) Air Traffic Control Centre
- (28) Radar

- Airport Boundary
- Industrial Business Park
- Municipal Boundary

HAMILTON AIRPORT / AIRPORT
INDUSTRIAL BUSINESS PARK
STRATEGIC PLAN

October 1988



Location and Access

Legend

- Existing Airport Access Route
- Long Term Improvements
- East West/Heath South Route
- Proposed the alignment of Highway No. 6
- Proposed extension of Highway No. 401



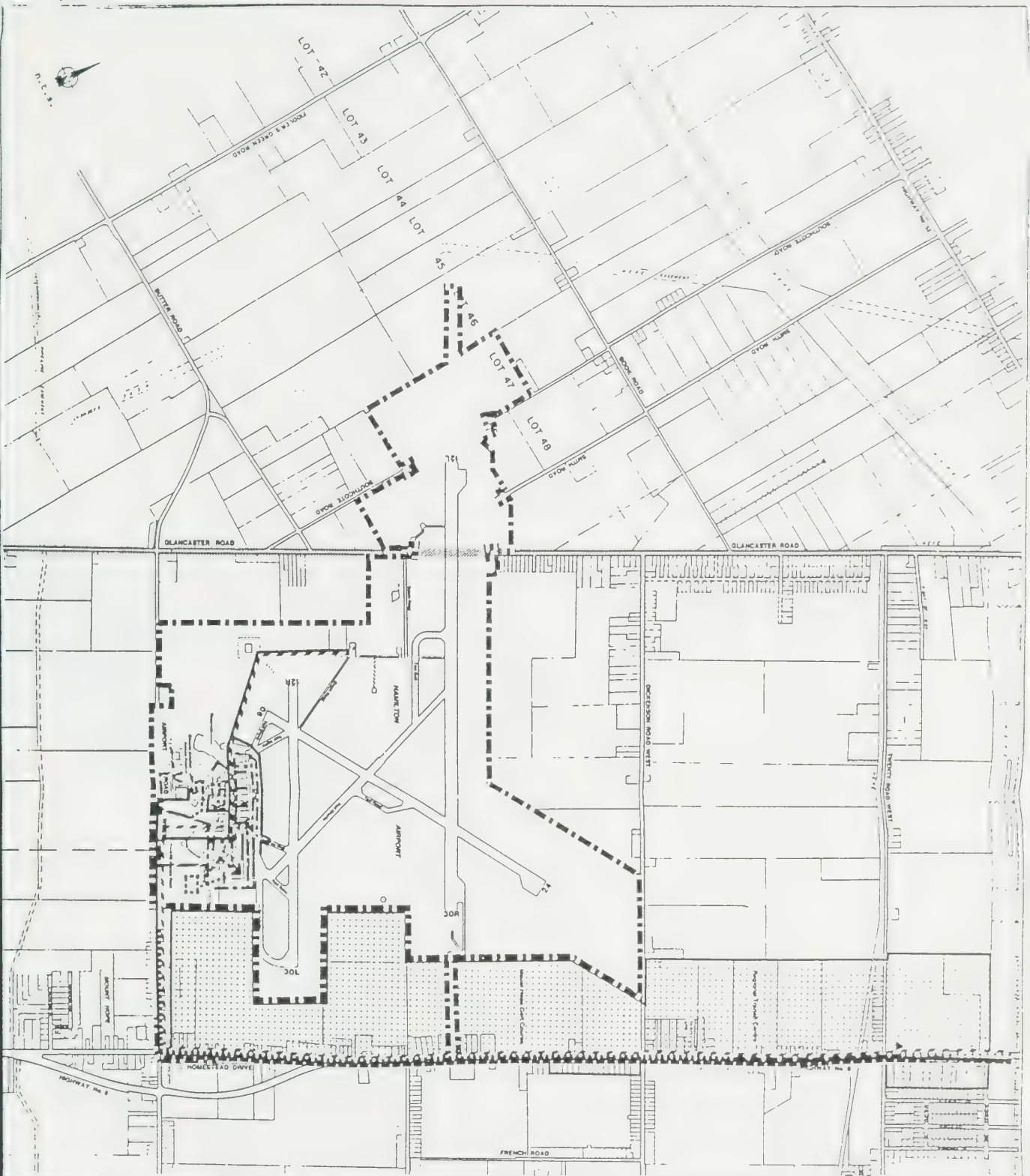
HAMILTON AIRPORT / AIRPORT
INDUSTRIAL BUSINESS PARK
STRATEGIC PLAN

October 1988

Services

Legend

- Water
 - - - Existing Main
- Sanitary Sewer
 - ▲ Pumping Station
 - Foremain
 - - - Existing Sewer
 - Proposed Sewer
- Storm Sewer
 - - - Existing Storm Sewer
 - - - Drainage Course
- Utilities
 - Existing Electrical Power Service,
 - Natural Gas, and Telephone.
 - - - Proposed Conduit
- Airport Boundary
 - Industrial Business Park
 - Residential Municipal Boundary














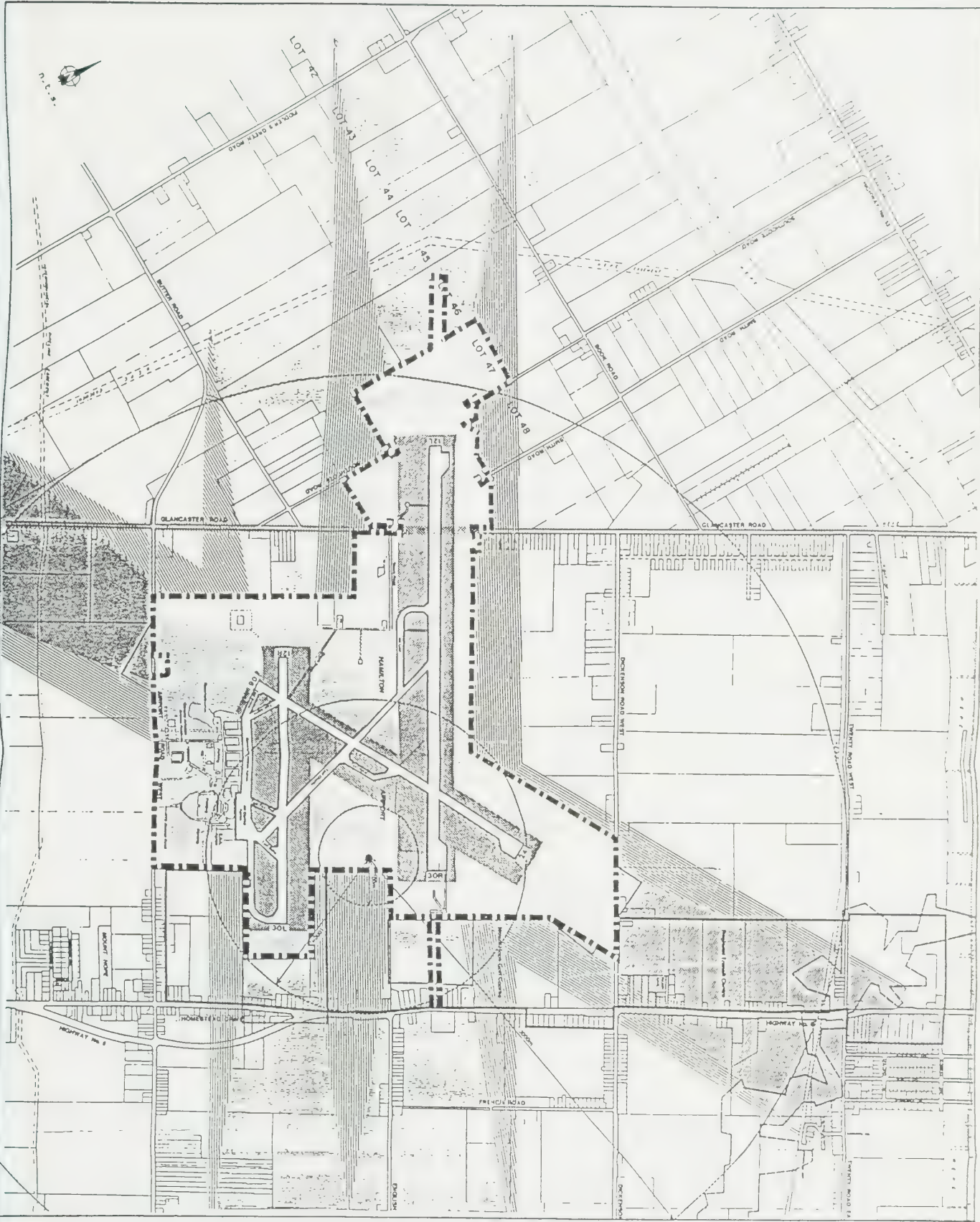
HAMILTON AIRPORT / AIRPORT
INDUSTRIAL BUSINESS PARK
STRATEGIC PLAN

October 1988

Development Restrictions

Legend

-  Approach Surface
-  Transitional Surface
-  Strip
-  Airport Area
-  Outer Surface
-  Airport Boundary
-  Municipal Boundary
-  Approximate Limit of 10m Building Height
-  Flood Plain of Twenty Nine Creek for Radar Installation
-  Restricted Development Areas (300m, 1000m, 3000m)
-  Industrial Business Park Boundary



HAMILTON AIRPORT / AIRPORT
INDUSTRIAL BUSINESS PARK
STRATEGIC PLAN

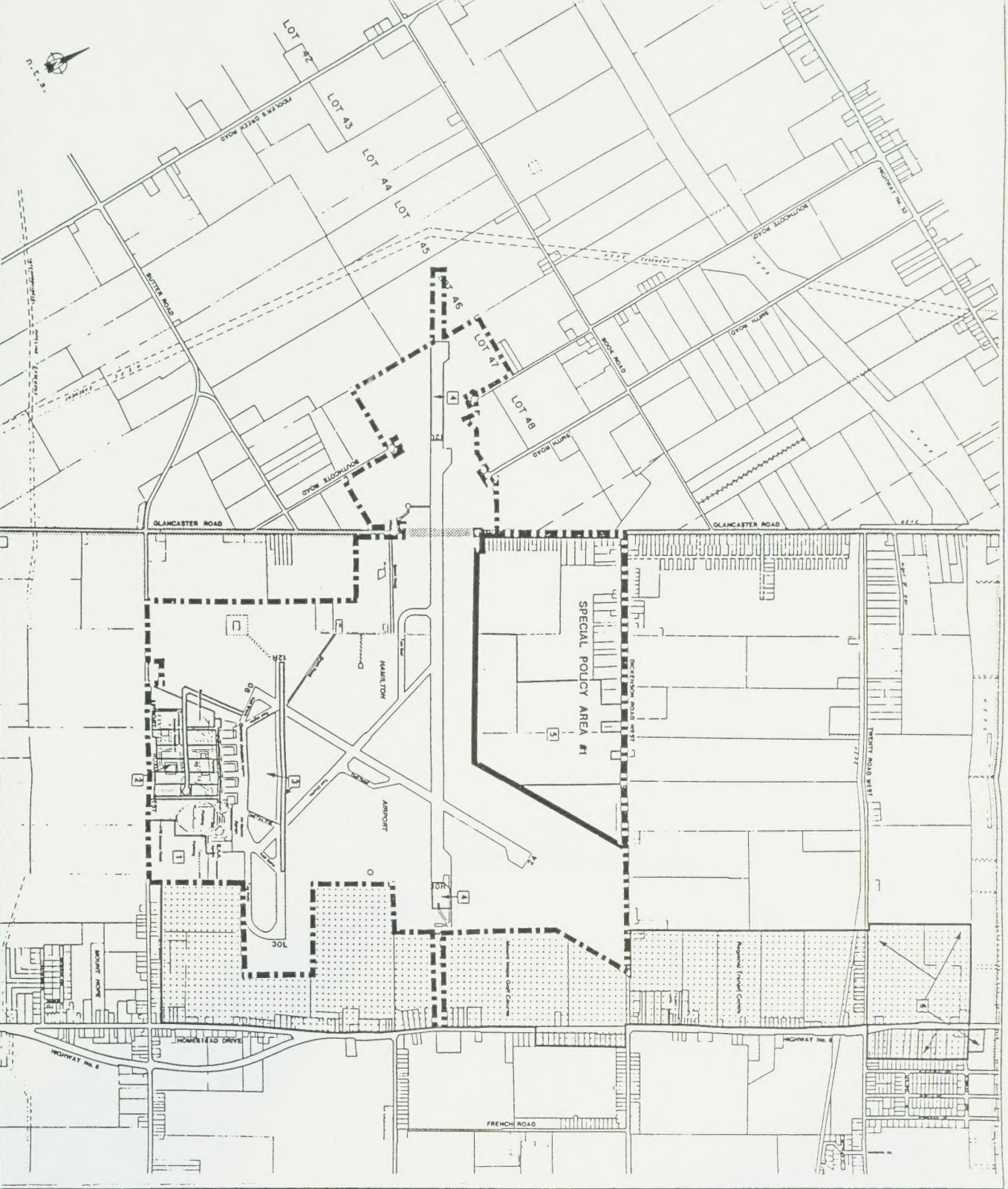
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Existing Development Proposals

Legend

- 1 Short Term Proposals
 - International Air Cargo Terminals, Ltd (IHTACT) Proposals
- 2 R. E. Winter Proposal
- 3 Airport Manager's Proposal
- 4 Expansion of Runway 12L-30R (Long Term Proposals)
- 5 North Field Terminal Site (Long Term Proposals)
- M. Wasserman Proposal
- 6 Siena Proposal
- 7 All Proposal
- 8 Galwan Proposal
- 9 Penny Fuels Proposal
- 10 Links Proposal
- 11 Lamoni/Macko Proposal
- 12 Airport Boundary
- 13 Industrial Business Park
- 14 Municipal Boundary

HAMILTON AIRPORT / AIRPORT INDUSTRIAL BUSINESS PARK STRATEGIC PLAN
October 1988





Hamilton Airport at a Glance

MAIN RUNWAY

LAT 43° 10' N
LONG 79° 56' W
Var. 8° West.
ELEVATION 776 ft.
ASL

MAIN RUNWAY

12L/30R

Length 8,000 ft.

Width 200 ft.

Taxiways 75 ft.

ILS CAT 1 on 12L

RVR 12L

VASIS 12L/30R

PLR 11 on 12L/30R and

Taxiways

TAKEOFF DATA 12L/30R

TORA 8,000 ft.

TODA 9,000 ft.

ADSA 8,000 ft.

LDA 8,000 ft.

Tower Frequency 119.7, 125.0

Ground Frequency 121.8

ADDITIONAL RUNWAYS

Runway 06/24

Length 6,000 ft.

Width 150 ft.

ILS Non Cat 06

VASIS 24

PLR 7 for Takeoff and Landing

PLR 11 for taxiing between

Taxiway C and 12L/30R

Runway 12R/30L

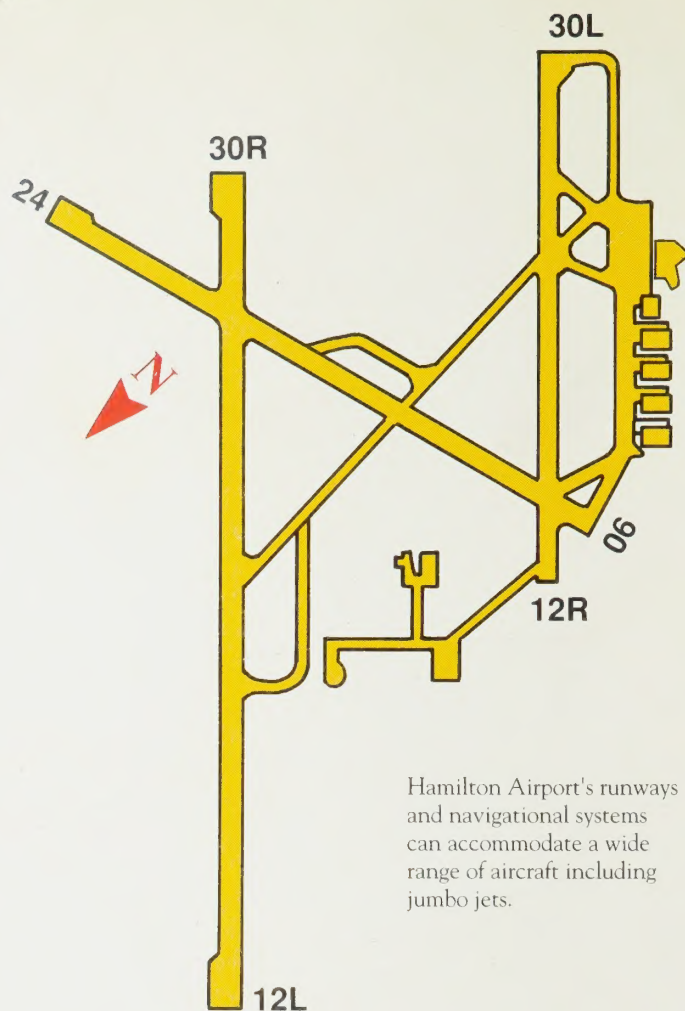
Length 5,188 ft.

Width 150 ft.

Non Instrument

VASIS 12R/30L

PLR 8



Hamilton Airport's runways and navigational systems can accommodate a wide range of aircraft including jumbo jets.

MAIN AIR CARRIER APRON

886 ft. x 328 ft.

Capable of bearing the weight of the heaviest aircraft currently in service

TERMINAL BUILDING

Canada Customs/Immigration

Separate International/Domestic Arrival Lounges,
4,000 sq. ft. Restaurant

Passenger Check-in Facilities and Security Screening

Meteorological Office, Duty Free Shop, U-Drives

CFR TO AIRPORT CAT IV STANDARD

FIXED BASE OPERATORS AND SERVICES

PENINSULAIR LIMITED:

Tel. (416) 679-4124/4165

24 hr. Line 388-8402

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Imperial Oil Dealer, Avgas and Turbine Fuel Flight Training and Charter

Hangarage and De-icing Facilities

Maintenance and Ground Handling Services

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Texaco Dealer, Avgas and Turbine Fuel Hangarage

Maintenance and Ground Handling Services

HAMILTON FLYING CLUB:

Tel. (416) 679-6044

Flight Training and Charter

Shell Dealer, Avgas, Hangarage and Maintenance

HAMILTON AIR SERVICES:

Tel. (416) 522-8866

Ground and Passenger handling services

HAMILTON AIRPORT GIFTS AND DUTY FREE SHOP:

Tel. (416) 679-6026

Servicing travelling public 365 days per year.

AIRPORT RESTAURANT:

Tel. (416) 679-4677

Bar and Meal Service. In-Flight catering by arrangement.

MOUNT HOPE CARTAGE:

Tel. (416) 528-8636 1-800-263-6978

Canada Customs bonded warehouse and road transport services.

For more information on Hamilton Airport contact the Airport Manager:

Mount Hope, Ontario

LOR 1W0

Telephone (416) 679-4151/2 Fax: (416) 679-6746



The Regional Municipality
of Hamilton-Wentworth